

Information Services Board Briefing Paper on The Ultimate Purchasing System

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Description: The Department of General Administration's (GA) Office of State Procurement (OSP) initiated a project for a new statewide purchasing system that uses the Internet to automate the purchasing process. The Ultimate Purchasing System (TUPS) was to automate the selection, request, approval, order, receipt, and payment functions that interface with the state's central Automated Financial Reporting System (AFRS). Specifically, GA contracted with a vendor, American Management Systems (AMS), which hosts purchasing and catalog systems on AMS's own platform.

The objective of TUPS was to reduce staff time and the effort involved with procurement and payment processes while providing increased accountability for the state's \$1 billion per year in commodity purchasing. Additionally, the system would eliminate manual data entry into state systems and eliminate the need for vendors to report contract usage back to the state.

Background: Rob Fukai, Director of the Department of General Administration, has decided not to extend the state's contract with AMS for TUPS, which would be up for renewal in June 2002. This decision follows the completion of an independent review of the system. The major findings of the review include:

- Government e-procurement is in its development stages and will continue to require significant oversight by the state and close partnership with vendors committed to serving the public sector
- According to users, the system is cumbersome to use and does not meet state business needs.
- The system in its current form is unlikely to meet expected staff time savings objectives due to user training issues and potential deficiencies in the system's architecture, which might not be resolved by increased familiarity.
- It appears there are strained relationships among agencies as a result of the project that will require time to mend.

Mr. Fukai cited state government's financial situation, the system not providing expected time-savings, and technical issues that precluded the system from being an easy-to-use system as reasons for the decision.

Status: AMS has been formally informed that GA will not renew the contract for TUPS. AMS has held discussions with the Department of Transportation (DOT) related to using TUPS and upgrading their AMS accounting systems. DOT uses AMS accounting software. DOT has not made a decision on this matter.

Recommendation: This is the last ISB report for this project.